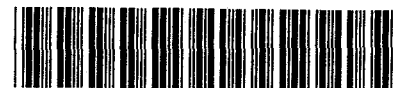


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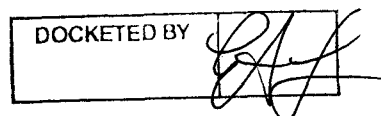
AZ CORP COMMISSION
DOCKET CONTROL

Mr. John Foreman
Chairman
Arizona Power Plant and
Transmission Line Siting Committee
Assistant Arizona Attorney General
1275 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

MAR 20 2015



ORIGINAL

RE: SALT RIVER PROJECT PRICE ROAD CORRIDOR PROJECT LINE SITING
APPLICATION #170 (DOCKET NO. L-00000B-15-0059-00170)

Dear Chairman Foreman:

On March 5, 2015, you sent a letter concerning Salt River Project Agricultural Improvement and Power District's ("SRP") application ("Application") for the issuance of a Certificate of Environmental Compatibility for the Price Road Corridor Project, non-Gila River Indian Community portion located in the City of Chandler, Arizona, or within Maricopa County. This letter is the Utilities Division's response to the question that you posed in that letter.

Does the proposed project improve the reliability and/or safety of operation of the grid and delivery of power in Arizona?

This Project consists of approximately three miles of new 230 kilovolt (kV) transmission line from the Schrader Substation to the Gila River Indian Community boundary that is adjacent to Hunt Highway as well as two new substations (Receiving Stations RS-28 and RS-27) and associated transmission, all located in the City of Chandler, Arizona, or within Maricopa County.

The Application for a Certificate of Environmental Compatibility ("CEC" or "Application") is submitted for only those portions of the preferred and alternative routes of the Price Road Corridor ("PRC") project that traverse non-tribal lands and that are referred to in the Application as the Non-Gila River Indian Community Portion ("the Project").

SRP filed a Ten-Year Transmission Plan with the Arizona Corporation Commission in January 2015. This project is included in that Plan. The Project was included in the power flow, facility loading limit, single contingency outage and transient stability studies of the interconnected system. The line was also included in the Eighth Biennial Transmission Assessment 2014-2023 ("BTA"). The results show no negative impact to the interconnected transmission system.

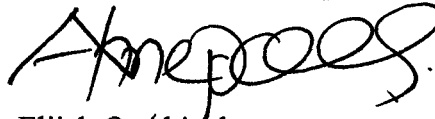
Mr. John Foreman
March 18, 2015
Page 2

Staff believes that the proposed project will improve the reliability and safety of operation of the grid and delivery of power in Arizona.

Staff reviewed SRP's assertion of need for the Price Road Corridor Project. SRP has been working with the Gila River Indian Community since 2011 to build the infrastructure needed to support the growing technology hub known as the Price Road Corridor. The Price Road Corridor is a major source of job growth and economic development for the southeast valley. The focus of the Price Road Corridor is on technology manufacturing and high-tech jobs. In Staff's view, the need that SRP identifies for significant new energy infrastructure to support continued growth is consistent with the nature of development in the area. Staff anticipates that meeting the unique infrastructure needs of the area will likely require SRP to bring additional power into the Price Road Corridor from both the Schrader and Kyrene substations.

If you have any questions, please feel free to contact me, at (602) 542-7270, or Ray Williamson at (602) 542-0828.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Abimah', with a stylized flourish at the end.

Elijah O. Abimah
Assistant Director
Utilities Division

EOA:lhbm

cc: Service List for Docket No. L-00000B-15-0059-00170